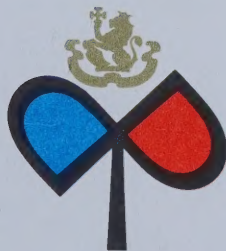


QUARTERLY REPORT TO SHAREHOLDERS

JUNE 30, 1972

Corp report 4



CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Source of Funds:

Net Income for period
Depreciation and amortization

Six Months Ended June 30	
1972	1971
\$ 133,309	\$ 157,333
105,467	98,502
<u>\$ 238,776</u>	<u>\$ 255,835</u>

Application of Funds:

Purchase of fixed assets (net)
Payment of funded debt
Redemption of preference shares
Dividends to shareholders

Six Months Ended June 30	
1972	1971
\$ 473,472	\$ 62,336
32,000	32,000
—	3,750
66,324	63,742
<u>\$ 571,796</u>	<u>\$ 161,828</u>
\$ (333,020)	\$ 94,007
1,633,773	1,433,239
<u>\$1,300,753</u>	<u>\$1,527,246</u>

Increase (decrease) in working capital
Working capital, January 1
Working capital, June 30



REID LITHOGRAPHING COMPANY LIMITED

To Our Shareholders:

We have pleasure in enclosing your quarterly dividend cheque dated August 15, 1972, in the amount of 15¢ per common share and 78 $\frac{1}{8}$ ¢ per preference share, as declared by your Board of Directors.

Summarized below are the unaudited consolidated operating results of your Company and its wholly-owned subsidiary, Reid Press Limited, for the first six months of 1972 together with comparative figures for the same period last year.

Accelerating operating expenses and competitive pricing continues to exert unfavourable pressures on profit margins with resulting net earnings amounting to 75¢ per common share compared with 90¢ earned in 1971.

Sales are down 9.7% for the six month period compared to the decrease of 16.0% reported in the first quarter. However, in view of the current trend we anticipate that the final six months will show significant improvement.

A statement of source and application of funds appears on the back of this report.

	<u>Six Months Ended June 30</u>	
	<u>1972</u>	<u>1971</u>
Sales	\$3,303,017	\$3,659,552
Income before income taxes	\$ 258,887	\$ 341,129
Income taxes	125,578	183,796
Income for period	\$ 133,309	\$ 157,333
Earnings available for common shares	\$ 111,871	\$ 135,485
Common shares outstanding	149,621	149,621
Earnings per common share	75¢	90¢

G. H. GREENHOUGH
President and
Chief Executive Officer

Hamilton, Canada
August 15, 1972